HOUSE RESEARCH ORGANIZATION • TEXAS HOUSE OF REPRESENTATIVES
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HOUSE RESEARCH ORGANIZATION

daily floor report

Tuesday, April 16, 2019
86th Legislature, Number 47
The House convenes at 10 a.m.
Part Four

Three bills are on the Major State Calendar, three joint resolutions are on the Constitutional Amendments Calendar, and 63 bills are on the General State Calendar for second reading consideration today. The bills and joint resolutions analyzed or digested in Part Four of today's *Daily Floor Report* are listed on the following page.

Dwayne Bohac
Chairman
86(R) - 47

HOUSE RESEARCH ORGANIZATION

Daily Floor Report

Tuesday, April 16, 2019

86th Legislature, Number 47

Part 4

SUBJECT: Allowing legislatively produced recordings in political advertising

COMMITTEE: House Administration — favorable, without amendment

VOTE: 7 ayes — Geren, Anchia, Anderson, Parker, Sanford, Sherman, E. Thompson

1 nay — Ortega

3 absent — Howard, Flynn, Thierry

WITNESSES: None

DIGEST: HB 368 would repeal Government Code sec. 306.005, which prohibits the use of legislatively produced audio or visual materials in political advertising. The bill would make conforming changes to sec. 306.006, which prohibits the use of legislatively produced audio or visual material for a commercial purpose unless the legislative entity that produced the materials or under whose direction the materials were produced gives its permission.

This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY: HB 368 would repeal a law that a Harris County state district court determined was a violation of the First Amendment to the U.S. Constitution and Art. 1, sec. 8 of the Texas Constitution. Legislatively produced video and audio recordings of floor and committee proceedings belong to the public, including for use in political advertising.

Texas is the only state with this type of ban, and the Texas attorney general declined to defend the law when it was challenged in court. It would not be fair to narrow the scope of the bill, as some have suggested, to bar only legislators from being able to use footage in campaign ads.

Although Texas has been permanently enjoined from enforcing

Government Code sec. 306.005, that section should be removed from statutes to avoid someone reading it and not realizing it was ineffective.

OPPONENTS SAY:

Instead of repealing the ban on the use of legislatively produced audio or visual materials in political advertising, a better course would be to amend the law to prohibit a member, officer, or employee of a house, committee, or agency of the Legislature from using the materials in political advertising. This would be similar to the rules of the U.S. House of Representatives, which ban the use of broadcast coverage and recordings of floor and committee proceedings for political purposes.

SUBJECT: Considering military service in law enforcement proficiency certification

COMMITTEE: Homeland Security and Public Safety — favorable, without amendment

VOTE: 9 ayes — Nevárez, Paul, Burns, Calanni, Clardy, Goodwin, Israel, Lang, Tinderholt

0 nays

WITNESSES: For — Jason Bridges, Nacogdoches County Sheriff's Office; (*Registered, but did not testify*: Rita Ostrander, Combined Law Enforcement Associations of Texas; Stephanie Stephens, Nacogdoches County Attorney; AJ Louderback, Sheriffs Association of Texas; Noel Johnson, Texas Municipal Police Association)

Against — None

On — (*Registered, but did not testify*: Michael Antu, Texas Commission on Law Enforcement)

BACKGROUND: Occupations Code sec. 1701.402 requires the Texas Commission on Law Enforcement to issue proficiency certificates to law enforcement officers based on training, education, and experience.

DIGEST: HB 971 would require the Texas Commission on Law Enforcement (TCOLE) to adopt rules allowing law enforcement officers who served in the military to receive credit toward a proficiency certificate based on their military service.

TCOLE would adopt necessary rules to implement this provision as soon as practicable after the effective date of the bill.

The bill would take effect September 1, 2019.

SUBJECT: Preventing certain individuals from losing medical assistance eligibility

COMMITTEE: Human Services — committee substitute recommended

VOTE: 8 ayes — Frank, Hinojosa, Clardy, Deshotel, Klick, Meza, Miller, Noble

0 nays

1 absent — Rose

WITNESSES: For — Carole Smith, Private Providers Association of Texas; Sandra Frizzell Batton, Providers Alliance for Community Services of Texas; Ryan Clapp, ResCare; Ginger Mayeaux, The Arc of Texas; (*Registered, but did not testify*: Christine Yanas, Methodist Healthcare Ministries of South Texas Inc.; Alissa Sughrue and Greg Hansch, National Alliance on Mental Illness-Texas; Eric Kunish, National Alliance on Mental Illness-Austin; Terri Carriker, Protect Texas Fragile Kids; Nancy Walker, ResCare; Millie Cordaro, TCA; Laurie Vangoose, Texas Association of Health Plans; Kathryn Freeman, Texas Baptist Christian Life Commission; Isabel Casas, Texas Council of Community Centers; Michelle Romero, Texas Medical Association; Linda Litzinger, Texas Parent to Parent; Jennifer Allmon, The Texas Catholic Conference of Bishops)

Against — (*Registered, but did not testify*: Bill Kelberlau)

On — Susan Murphree, Disability Rights Texas; Janice Quertermous, Texas Health and Human Services Commission

BACKGROUND: Human Resources Code sec. 32.0256 allows certain people eligible for medical assistance due to an intellectual or developmental disability to remain eligible if they experience a temporary increase in income of a duration of one month or less that would make them ineligible for assistance.

Interested parties note that people with intellectual or developmental disabilities who are eligible for medical services sometimes lose eligibility

due to minor clerical or technical errors in renewal paperwork.

DIGEST:

CSHB 2474 would continue eligibility of medical assistance for an individual who experienced an event or circumstance, including a minor technical or clerical error in the recipient's required renewal documentation, if the individual met certain criteria.

Eligibility. A recipient determined ineligible for assistance because of an event or circumstance caused wholly by the action or inaction of the recipient or the recipient's parent or guardian would be required to submit an application for medical assistance by the 90th day after being determined ineligible.

The bill would prohibit the Health and Human Services Commission (HHSC) from suspending or terminating the eligibility of certain recipients of medical assistance benefits if the recipient's ineligibility was caused by a technical or clerical error committed by HHSC.

HHSC would be required to coordinate with and inform relevant health care providers if an eligible recipient was at risk of being determined ineligible for medical assistance benefits or was determined ineligible for those benefits and to make reasonable efforts to ensure the medical assistance benefits of an eligible recipient were not suspended or terminated.

Report. HHSC would be required to submit a report to the Legislature by December 31 of each year regarding the suspension or termination of medical assistance benefits of eligible recipients that occurred during the preceding fiscal year. The report would have to include:

- the number of recipients living in a community-based, residential setting whose eligibility for benefits was suspended or terminated during each month of the fiscal year;
- the average, median, shortest, and longest length of time HHSC took to reinstate benefits, as applicable;
- the number of recipients whose benefits were not reinstated by HHSC;
- the specific reason for the suspension or termination of benefits of

a recipient, including an analysis of the percentage of suspensions or terminations related to increase in income, a failure to properly submit documents for benefit renewal, a change in condition, a technical or clerical error, and any other reason that occurs frequently; and

- a statement of the amount of retroactive reimbursements paid to health care providers for services to a recipient during the time the recipient's eligibility for benefits was suspended or terminated.

HHSC would be required to ensure that the initial report included a description of the number of suspensions or terminations of benefits during each month of the state fiscal years ending August 31, 2016, August 31, 2017, and August 31, 2018.

Applicability. The eligibility provisions of the bill would apply to continuously eligible recipients of medical assistance who were receiving services through the home and community-based services waiver program, the Texas home living waiver program, intermediate care facilities for individuals with intellectual disabilities, or certain federal programs for individuals with an intellectual or developmental disability.

Waivers or authorization. If a state agency determined that a waiver or authorization from a federal agency was necessary for implementation of any provision of the bill, the state agency would be required to request the waiver and would be permitted to delay implementation of the waiver or authorization until granted.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUBJECT: Creating the governor's broadband development council

COMMITTEE: State Affairs — committee substitute recommended

VOTE: 12 ayes — Phelan, Hernandez, Deshotel, Guerra, Harless, Holland, Hunter, P. King, Parker, E. Rodriguez, Smithee, Springer

0 nays

1 absent — Raymond

WITNESSES: For — Kenny Scudder, AARP; Laurie Mahaffey, Central Texas Library System; Jennifer Bergland, Texas Computer Education Association; Wendy Woodland, Texas Library Association; Lynden Kamerman, Texas Telephone Association; Richard Lawson, Verizon; (*Registered, but did not testify*: Kara Mayfield, Association of Rural Communities in Texas; Jason Winborn, AT&T; Marisa Finley, Baylor Scott & White Health; Henry Flores, CenturyLink; Dana Chiodo, CompTIA; Priscilla Camacho, Dallas Regional Chamber; Dale Artho, Deaf Smith County Commissioner; Dana Harris, Greater Austin Chamber of Commerce; Bill Lauderback, Lower Colorado River Authority; Andrew Wise, Microsoft; David Edmonson, TechNet; Jeremy Fuchs, Texas and Southwestern Cattle Raisers Association; James Hines, Texas Association of Business; Eric Craven, Texas Electric Cooperatives; Patrick Wade, Texas Grain Sorghum Association; Sara Gonzalez, Texas Hospital Association; Dan Finch, Texas Medical Association; Monty Wynn, Texas Municipal League; Ryan Skrobarczyk, Texas Nursery & Landscape Association; Bay Scoggin, TexPIRG; Russell T. Keene, Texas Public Power Association; Deborah Giles, Texas Technology Consortium & Center for Technology; John Hubbard and Ian Randolph, Texas Telephone Association)

Against — None

On — JP Urban, Public Utilities Commission of Texas; Walt Baum, Texas Cable Association; Weldon Gray, Texas Statewide Telephone Cooperative, Inc.

BACKGROUND: Some have raised concerns that a lack of proper broadband connectivity in rural areas of Texas has left many residents at an economic disadvantage.

DIGEST: CSHB 1960 would create the governor's broadband development council. The council would be composed of 17 members representing internet service providers, nonprofit organizations, advocacy groups, counties, municipalities, school districts, institutions of higher education, and the Legislature. Members would be appointed and serve five-year terms. The council would be led by a presiding officer designated by the governor.

The broadband development council would be required to convene at least once every quarter and at the call of the presiding officer. Administrative support would be provided by the Office of the Governor.

The council would be required to:

- research the progress of broadband development in unserved areas;
- identify barriers to residential and commercial broadband development in unserved areas;
- study solutions to overcome identified barriers that would not favor one technology over another; and
- analyze how statewide access to broadband would benefit economic development, educational opportunities, state and local law enforcement, state emergency preparedness, and the delivery of health care services, including telemedicine or telehealth.

The council could research other matters related to broadband if a majority of the council approved. To perform the studies required by the bill, the council could consult with a representative of an institution of higher education who had published scholarly research on broadband.

The council would be required to prepare and deliver an electronic report of its findings to the governor, the lieutenant governor, and each member of the Legislature by November 1 of every year. The first report would be due November 1, 2020.

The chapter authorizing the council would expire September 1, 2029.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUBJECT: Requiring TDCJ policies to increase female inmates' access to programs

COMMITTEE: Corrections — favorable, without amendment

VOTE: 9 ayes — White, Allen, Bailes, Bowers, Dean, Morales, Neave, Sherman, Stephenson

0 nays

WITNESSES: For — Lauren Johnson, ACLU of Texas; Koretta Brown Knox, Texas Coalition of Black Democrats; Lindsey Linder, Texas Criminal Justice Coalition; Grace Pohl; (*Registered, but did not testify*: Pamela Brubaker, Austin Justice Coalition; Traci Berry, Goodwill Central Texas; Cate Graziani, Grassroots Leadership and Texas Advocates for Justice; Kathleen Mitchell, Just Liberty; Julia Egler, National Alliance on Mental Illness-Texas; Rene Lara, Texas AFL-CIO; Lori Henning, Texas Association of Goodwills; Kathryn Freeman, Texas Baptist Christian Life Commission; Michael Barba, Texas Catholic Conference of Bishops; Charlie Malouff, Texas Inmate Families Association; Patty Quinzi, Texas-American Federation of Teachers; Darwin Hamilton; Sally Hernandez; Carl F. Hunter II; Maria Person)

Against — None

On — Rene Hinojosa, Texas Department of Criminal Justice; Kristina Hartman, Windham School District; (*Registered, but did not testify*: Clint Carpenter and Robert O'Banion, Windham School District)

BACKGROUND: Some have noted that women incarcerated in the Texas Department of Criminal Justice have access to fewer programs than male inmates and that increasing access to programs could aid in rehabilitative efforts.

DIGEST: HB 3227 would require the Texas Department of Criminal Justice (TDCJ) to develop and implement policies to increase and promote female inmates' access to programs offered by TDCJ, including educational, vocational, substance use treatment, rehabilitation, life skills training, and prerelease programs. TDCJ could not reduce or limit male inmates' access

to a program to meet this requirement.

TDCJ would have to submit an annual report on the policies and programs to the governor, lieutenant governor, House speaker, certain legislative committees, and the state's reentry task force. The report would have to include a description of policies that were created, modified, or eliminated during the previous year and a list of programs available the previous year to female inmates. The report would be due by December 31 each year, and the agency would have to publish it on its website. TDCJ would have to submit the first report by December 31, 2020.

TDCJ would have to develop and implement the policies as soon as practicable after the bill's effective date.

The bill would take effect September 1, 2019.

SUBJECT: Requiring TEKS for the technology applications curriculum

COMMITTEE: Public Education — favorable, without amendment

VOTE: 12 ayes — Huberty, Bernal, Allison, Ashby, K. Bell, Dutton, M. González, K. King, Meyer, Sanford, Talarico, VanDeaver

0 nays

1 absent — Allen

WITNESSES: For — Alexis Harrigan, Code.org; Carol Fletcher, Pflugerville ISD; Jennifer Bergland, Texas Computer Education Association; (*Registered, but did not testify*: Jennifer Rodriguez, Apple Inc; Dana Harris, Austin Chamber of Commerce; Robin Painovich, Career and Technical Association of Texas; Dana Chiodo, CompTIA; Priscilla Camacho, Dallas Regional Chamber; Daniel Womack, Dow; Deborah Caldwell, North East Independent School District; Holli Davies, North Texas Commission; Allison Brooks, Project Lead the Way; Caroline Joiner, Rackspace; Seth Rau, San Antonio ISD; David Edmonson, TechNet; Mike Meroney, Texas Association of Manufacturers; Shannon Noble, Texas Industrial Vocational Association; Chris Frandsen, Texas League Of Women Voters; Kyle Ward, Texas PTA; Lisa Dawn-Fisher, Texas State Teachers Association; Jarod Love, The College Board)

Against — None

On — (*Registered, but did not testify*: Terri Hanson and Monica Martinez, Texas Education Agency)

BACKGROUND: Education Code sec. 28.002 requires school districts to offer an enrichment curriculum that includes technology applications to kindergarten through 12th grade students.

DIGEST: HB 2984 would require the State Board of Education (SBOE) to adopt essential knowledge and skills (TEKS) for the state technology applications curriculum that included coding, computer programming,

computational thinking, and cybersecurity for students in kindergarten through 8th grade.

The SBOE would have to review and revise the technology applications TEKS every five years to ensure the curriculum was relevant to student education and aligned with current or emerging professions. The first review and revision of the technology applications curriculum would have to be completed by December 31, 2020.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

NOTES:

According to the Legislative Budget Board, the bill would have a negative impact of about $253,000 in general revenue related funds through fiscal 2020-21, with a decreased impact in subsequent biennia.

SUBJECT: Allowing the Travis County Healthcare District to employ physicians

COMMITTEE: County Affairs — favorable, without amendment

VOTE: 8 ayes — Coleman, Bohac, Anderson, Biedermann, Dominguez, Huberty, Rosenthal, Stickland

0 nays

1 absent — Cole

WITNESSES: For — Guadalupe Zamora, Central Health; (*Registered, but did not testify*: Dana Harris, Austin Chamber of Commerce; Maureen Milligan, Teaching Hospitals of Texas; Dan Finch, Texas Medical Association; Julie Wheeler, Travis County Commissioners Court)

Against — None

BACKGROUND: Health and Safety Code ch. 281 allows the boards of certain county hospital districts to appoint, contract for, or employ physicians.

Health and Safety Code sec. 281.0281 and Occupations Code ch. 162 allow a hospital district created in a county with a population of more than 800,000 that was not included in the boundaries of a hospital district before September 1, 2003, (Travis County Healthcare District) to employ a licensed physician:

- as a medical director who provides only policy, administrative, and managerial services; or
- as the employee or contractor of a federally authorized migrant, community, or homeless heath center or a federally qualified health center that has been certified by the board of hospital managers.

Travis County Healthcare District does not own or operate a hospital but does contract with private hospital systems to provide care for indigent residents of the county. Concerns have been raised that the district's

inability to install physicians as managers of its indigent coverage programs leaves the district less able to manage its programs in the manner most conducive to improving patient outcomes.

DIGEST:

HB 2976 would allow the board of managers of the Travis County Healthcare District to appoint, contract for, or employ physicians as the board sees necessary for the efficient operation of the district, including the fulfillment of the district's statutory mandate to provide medical care for indigent and needy residents.

The bill would prohibit the term of an employment contract from exceeding four years.

The bill would not authorize the board to supervise or control the practice of medicine.

The district's medical executive board would be required to adopt and enforce policies to ensure that physicians employed by the district exercised their independent medical judgment in providing patient care, including rules requiring the disclosure of financial conflicts of interest by a member of the medical executive board. The board also would be required to develop policies relating to:

- governance of the board;
- credentialing;
- quality assurance;
- utilization review;
- peer review;
- medical decision-making; and
- due process.

Each member of the executive medical board would have to provide biennially a signed, verified statement to the chair stating the member was licensed by the Texas Medical Board and would exercise independent medical judgment in and ensure compliance with the policies listed above.

The member also would have to include in the statement a pledge to report

immediately to the Texas Medical Board actions or events the member believed constituted a compromise of the independent medical judgment of a physician in caring for a patient.

The medical executive board and the board of the district would be required to jointly develop a conflict management process to resolve conflicts between policies adopted by the medical executive board and policies of the district.

HB 2976 would establish that for all matters relating to the practice of medicine, each physician employed by the district would report to the chair of the medical executive board for the district.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUBJECT: Prohibiting age discrimination against certain workers in job training

COMMITTEE: International Relations and Economic Development — favorable, without amendment

VOTE: 8 ayes — Anchia, Frullo, Blanco, Cain, Larson, Metcalf, Perez, Romero

0 nays

1 absent — Raney

WITNESSES: For — Libby Sartain, AARP; (*Registered, but did not testify*: Rene Lara, Texas AFL-CIO; Mike Meroney, Texas Association of Manufacturers)

Against — None

On — Betty Stanton, Texas Workforce Commission

BACKGROUND: Labor Code sec. 21.054 prohibits employers from discriminating against employees between the ages of 40 and 56 on the basis of their age, among other categories, when selecting employees for participation in an apprenticeship, on-the-job training, or other training or retraining program.

Some suggest the upper age limit is outdated because of the increasing importance of older workers in the workforce and the need for them to be trained to keep pace with technological and organizational change.

DIGEST: HB 1074 would prohibit age discrimination against persons aged 40 years or older as it relates to on-the-job training programs, retraining, apprenticeships, or other training. It would repeal the section of the Labor Code limiting this provision to individuals between the ages of 40 and 56.

The bill would take effect September 1, 2019.

SUBJECT: Changing certain eligibility requirements for teaching certificates

COMMITTEE: Public Education — favorable, without amendment

VOTE: 12 ayes — Huberty, Bernal, Allison, Ashby, K. Bell, Dutton, M. González, K. King, Meyer, Sanford, Talarico, VanDeaver

0 nays

1 absent — Allen

WITNESSES: For — (*Registered, but did not testify*: Tim Miller, Raise Your Hand Texas; Dwight Harris, Texas American Federation of Teachers; Barry Haenisch, Texas Association of Community Schools; Casey McCreary, Texas Association of School Administrators; Grover Campbell, Texas Association of School Boards; Mark Terry, Texas Elementary Principals and Supervisors Association; Dee Carney, Texas School Alliance)

Against — David Anthony

On — Stacey Edmonson, Texas Association of Colleges of Teacher Education; (*Registered, but did not testify*: Glenda Ballard, St. Edward's University; Ryan Franklin, Texas Education Agency; Lisa Dawn-Fisher, Texas State Teachers Association; Robert McPherson, University of Houston)

BACKGROUND: Under Education Code sec. 21.050, individuals applying for a teaching certificate for which a bachelor's degree is required must possess a bachelor's degree with an academic major or interdisciplinary academic major other than education that is related to the state's required curriculum.

The State Board for Educator Certification is prohibited from requiring more than 18 semester credit hours of education courses at the baccalaureate level for the granting of a teaching certificate.

DIGEST: HB 3217 would allow an applicant for a teaching certificate for which the

State Board for Educator Certification (SBEC) required a bachelor's degree to hold a bachelor's degree with an academic major of education.

The bill also would remove the cap on baccalaureate-level education course semester credit hours that SBEC could require for a teaching certificate. SBEC would be required to include a minimum number of semester credit hours of field-based experience or internship to be included in the credit hours needed for certification.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUPPORTERS SAY:

HB 3217 would help teachers adequately prepare for complex classroom environments by allowing students who wanted to become teachers to take more baccalaureate-level education courses or major in education. This would increase teachers' pedagogical skills and encourage retention in the profession.

Current law does not allow educator preparation programs (EPPs) the flexibility to adequately cover pedagogy, even as teachers face more complex school environments that require additional preparation and knowledge on topics such as school violence, mental health, and youth suicide. By removing the cap on baccalaureate-level education courses that could count for a teacher certification, the bill would help EPPs better train and prepare teachers. The bill would not affect content standards for teachers, as EPPs would continue to be held accountable for subject-matter expertise through content certification exams.

By allowing higher education institutions to offer an education degree, HB 3217 would improve educator recruitment efforts and help support the profession. Additionally, the bill could help increase retention of teachers by more adequately preparing them to face the challenges of the modern classroom.

OPPONENTS SAY:

HB 3217 would not adequately prepare educators and would not increase support for the teaching profession.

HB 3217 would require a minimum number of field-based or internship credit hours for individuals applying for a teaching certification, but would not specify a guaranteed minimum number. This ambiguity could cause pedagogical courses to be increased at the expense of content courses currently required of educators in the state. Teachers should be subject-matter experts in order for students to be successful in high-stakes testing and content-heavy environments, and allowing or encouraging future teachers to take too many pedagogy courses could inhibit their ability to gain needed expertise. Rather than increase the number of education credit hours and internship hours that could be counted toward a teacher certification, the bill should review and improve existing pedagogical curriculums in the state.

Allowing teachers to hold bachelor's degrees in education would not support or legitimize the teaching profession. Instead, teachers should be supported through adequate preparation, continuing and effective professional development, and increased pay.

SUBJECT: Allowing a tenant to avoid lease liability after family violence

COMMITTEE: Business and Industry — favorable, without amendment

VOTE: 7 ayes — Martinez Fischer, Darby, Beckley, Collier, Parker, Patterson, Shine

0 nays

2 absent — Landgraf, Moody

WITNESSES: For — David Mintz, Texas Apartment Association; (*Registered, but did not testify*: Terra Tucker, Alliance for Safety and Justice; Charlie Duncan, Austin Tenants Council, Texas Housers; Laura Guerra-Cardus, Children's Defense Fund Texas; Terrence Rhodes, Dallas Police Department; Julia Egler and Alissa Sughrue, National Alliance on Mental Illness-Texas; Chris Kaiser, Texas Association Against Sexual Assault; Linda Phan, Texas Council on Family Violence; Joshua Houston, Texas Impact; Sandy Rollins, Texas Tenants Union; Nataly Sauceda, United Ways of Texas)

Against — None

BACKGROUND: Property Code sec. 92.016 allows a tenant to terminate a lease, vacate the dwelling, and avoid lease liability in the event of family violence, provided that the tenant gives the landlord or the landlord's agent a copy of a temporary injunction, ex parte order, or protective order issued by a judge protecting the tenant or an occupant from family violence.

It has been suggested that these types of judicial orders are sometimes difficult or costly to obtain and that additional documentation options could help family violence survivors seeking to terminate a residential lease without penalty in order to leave a dangerous situation.

DIGEST: HB 1209 would expand the types of allowable documentation that could be presented to a landlord or landlord's agent to allow termination of the lease and avoidance of lease liability to include:

- documentation of family violence from a health care provider who examined the victim;
- documentation of family violence from a mental health provider who examined or evaluated the victim;
- documentation of family violence provided by a statutorily authorized family violence center; and
- a magistrate's order for emergency protection after the arrest of a defendant for a family violence offense.

In the event that the family violence was committed by a cotenant or occupant of the dwelling, the tenant would be allowed to exercise the right to terminate the lease without providing the landlord prior written notice of at least 30 days but would still have to provide other required documentation of family violence.

The bill would take effect September 1, 2019, and would apply to a lease entered into or renewed on or after that date.

SUBJECT: Allowing a local provider participation fund in Harris Hospital District

COMMITTEE: District Affairs — committee substitute recommended

VOTE: 9 ayes — Coleman, Bohac, Anderson, Biedermann, Cole, Dominguez, Huberty, Rosenthal, Stickland

0 nays

WITNESSES: For — Steve Hand, MHHS (*Registered, but did not testify*: Christina Hoppe, Children's Hospital Association of Texas; Meghan Weller, HCA Healthcare; Maureen Milligan, Teaching Hospitals of Texas; Rick Thompson, Texas Association of Counties; Orlando Jones, Texas Children's Hospital; Gabriela Villareal, Texas Conference of Urban Counties; Jennifer Banda, Texas Hospital Association)

Against — None

On — (*Registered, but did not testify*: King Hillier, Harris Health System)

BACKGROUND: Local provider participation funds were first authorized by the Legislature in 2013 as a way for counties to access federal funding for their nonpublic hospitals without expanding Medicaid, requiring state funding, or taxing the residents of the county. The funds provide a mechanism by which the county can collect mandatory payments from such institutions to provide the nonfederal share of Medicaid supplemental payments in order to access federal matching funds. Local provider participation funds are administered by county health care provider participation programs.

DIGEST: CSHB 3459 would allow the board of hospital managers of the Harris County Hospital District, by majority vote, to participate in a health care provider participation program.

Powers and duties. The board would be authorized to adopt rules relating to the administration of the program, including collection of mandatory payments, expenditures, and audits. If the board authorized a program, it would have to require each nonpublic hospital in the district that provided

inpatient hospital services to submit to the district any financial and utilization data as reported in the hospital's Medicare cost report submitted for the most recent fiscal year for which the hospital submitted the Medicare cost report.

Mandatory payments. CSHB 3459 would authorize the board to require mandatory payments from institutional health care providers.

The board would be required to assess the payments from each hospital on the basis of the hospital's net patient revenue. The board would be required to provide written notice of each assessment, and the hospital would be required to pay the assessment within 30 calendar days. The hospital district would be required to update the amount of this payment annually but would be allowed to update it on a more frequent basis.

The bill would require that the amount of an annual payment be uniformly proportionate to the amount of net patient revenue generated by each hospital and adequate to cover the expenses of the program. The bill would limit the aggregate amount of the mandatory payments required of all hospitals participating in the health care provider program to no more than 4 percent of the aggregate net patient revenue from hospital services provided by all hospitals participating in the program.

The board would have to set mandatory payments in amounts that in the aggregate would generate sufficient revenue to cover the administrative expenses of the district and the intergovernmental transfers relating to the health care provider program. The bill would not allow the district to use annually more than $600,000 plus the collateralization of deposits for administrative expenses related to the program, regardless of actual expenses. The bill does not authorize the district to collect mandatory payments for the purpose of raising general revenue or any amount in excess of the amount reasonably necessary for the purposes of the program.

CSHB 3459 would prohibit a hospital from adding a mandatory payment required under the bill as a surcharge to a patient. As required by federal law, the bill would prohibit a mandatory payment under the program from holding harmless any hospital.

Collection and holding of funds. The bill would require the board, if it decided to establish a health care provider program, to hold a public hearing for which it provided public notice in each year that it authorized a health care provider participation program on the amounts of any mandatory payments and the manner in which the collected funds would be spent. A representative of any paying hospital would be required to be allowed to attend and to be heard at any such meeting.

Local provider participation fund. If the board required a mandatory payment, then it would be required to establish a local provider participation fund in one or more banks that would be designated as depositories for the fund. The fund would consist only of the mandatory payments, money received from the Health and Human Services Commission as a refund of federal Medicaid supplemental program payments, and fund earnings. Money in the fund could not be commingled with other funds.

CSHB 3459 would allow money in the fund to be used only for the following purposes:

Intergovernmental transfers. The local provider participation fund would be allowed to fund intergovernmental transfers from the district to the state. These transfers would include uncompensated care payments to nonpublic hospitals under a Medicaid 1115 waiver, uniform rate enhancements for nonpublic hospitals in the Medicaid managed care service area, payments available under another waiver program that is substantially similar to Medicaid, or any reimbursement to nonpublic hospitals for which federal matching funds are available.

Refunds. The bill also would allow the district to use the fund to refund mandatory payments collected in error and to refund to hospitals a proportionate share of any funds that were received by the district from the Health and Human Services Commission but not used to fund the payment of the nonfederal share of the Medicaid supplemental payment program.

Other permitted uses. The bill also would allow the district to use the fund

to pay the administrative expenses of the program, including those related to the collateralization of deposits, and to transfer funds to the Health and Human Services Commission to address a disallowance of federal matching funds with respect to intergovernmental transfers.

Prohibited uses of intergovernmental transfers. The bill would prohibit the use of intergovernmental transfers from the district to the state under this program to fund expanded Medicaid eligibility under the federal Affordable Care Act or to fund the nonfederal share of payments to nonpublic hospitals available through the Medicaid disproportionate share hospital program or the delivery system reform incentive program.

Expiration. The district's authority to operate the program would expire on December 31, 2021, whereupon the district's board of hospital managers would be required to transfer any remaining funds to institutional health care providers.

If a state agency determined that a waiver or authorization from a federal agency was necessary to implement a provision of the bill, it could delay implementation of that provision until the waiver or authorization was granted.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUBJECT: Enforcing rights of living unborn child after abortion; creating offenses

COMMITTEE: Judiciary and Civil Jurisprudence — committee substitute recommended

VOTE: 6 ayes — Leach, Krause, Meyer, Neave, Smith, White

3 nays — Farrar, Y. Davis, J. Johnson

WITNESSES: For — Monica Rivera, Archdiocese of Galveston-Houston; Ann Hettinger, Concerned Women For America; Patrick Zurek, Diocese of Amarillo; Martha Doss, Latinos for Trump; Terry Harper, Republican Party of Texas; Kyleen Wright, Texans for Life; Joe Pojman, Texas Alliance for Life; Gus Reyes, Texas Baptists Christian Life Commission; Mia McCord, Texas Conservative Coalition; Nicole Hudgens, Texas Values Action; and 11 individuals; (*Registered, but did not testify*: Julie Fritsch, Archdiocese of Galveston-Houston; Mario Avilies, Diocese of Brownsville; James Tamayo, Diocese of Laredo; Cindy Asmussen, Southern Baptists of Texas Convention; Jenny Andrews, Matthew Cooksey, Amy O'Donnell, and Terry Williams, Texas Alliance for Life; Thomas Schlueter, Texas Apostolic Prayer Network; Jonathan Saenz, Texas Values; Jennifer Allmon, The Texas Catholic Conference of Bishops; and 16 individuals)

Against — Drucilla Tigner, ACLU of Texas; Brenda Koegler, League of Women Voters of Texas; Blake Rocap, NARAL Pro-Choice Texas; (*Registered, but did not testify*: Karen Swenson, American College of Obstetricians and Gynecologist - Texas District; Tina Hester, Jane's Due Process; Jasmine Wang, NARAL Pro Choice Texas; Carisa Lopez, Texas Freedom Network; and 13 individuals)

On — Amanda Cochran-McCall, Office of the Attorney General

BACKGROUND: Family Code sec. 151.002 entitles a living child born alive after an abortion or premature birth to the same rights, powers, and privileges granted by state law to any other child born alive after the normal gestation period.

Health and Safety Code sec. 245.002 defines abortion as the act of using or prescribing an instrument, drug, medicine, or any other substance, device, or means with the intent to cause an unborn child's death. The term excludes birth control devices or oral contraceptives. An act is not an abortion if the act is done with the intent to:

- save the life or preserve the health of an unborn child;
- remove a dead, unborn child whose death was caused by spontaneous abortion; or
- remove an ectopic pregnancy.

DIGEST:

CSHB 16 would establish a physician-patient relationship between a child born alive after an abortion and the physician who performed or attempted the abortion. The bill would require the physician to exercise the same degree of professional skill, care, and diligence to preserve the child's life and health as they would render to any other child born alive at the same gestational age. "Professional skill, care, and diligence" would require the physician who performed or attempted the abortion to ensure that the child born alive was immediately transferred and admitted to a hospital.

The bill would establish a third-degree felony (two to 10 years in prison and an optional fine of up to $10,000) against a physician who with gross negligence failed to provide the appropriate medical treatment to a child born alive after an abortion. A physician who failed to provide the appropriate medical treatment also would be liable to the state for a civil penalty of at least $100,000. The bill would authorize the attorney general to bring a suit to collect the civil penalty and recover reasonable attorney's fees.

CSHB 16 would allow a child born alive after an abortion or the child's parent or legal guardian to:

- bring a civil action against a physician who performed or attempted the abortion if the physician failed to provide the appropriate medical treatment; and
- recover certain damages and attorney's fees.

The bill would allow the physician who prevailed in a civil action to recover certain attorney's fees incurred in defending the action.

The bill would not create any liability for the woman on whom the abortion was performed except to the extent of reasonable attorney's fees incurred by a physician who prevailed in defending a civil action brought by the woman.

A person who knew of noncompliance with the bill's provisions could report the noncompliance to the attorney general. The identity and personally identifiable information of the person who reported it would be exempt from the state's Public Information Act.

The bill would take effect September 1, 2019, and would apply to a child born alive on or after that date.

SUPPORTERS SAY:

CSHB 16 would strengthen protections afforded to newborns who survive an abortion by creating a doctor-patient relationship between the physician and surviving infant upon birth. Establishing the doctor-patient relationship at birth would ensure children who survive abortions receive lifesaving care that every child deserves.

The bill is necessary to ensure physicians are held accountable for their actions when they fail to provide the appropriate level of medical care to newborns born alive after an attempted abortion. The bill would create needed enforcement mechanisms against physicians to ensure doctors provide care in these rare circumstances.

The state has a continuing need to protect human dignity and the rights of unborn children and abortion survivors. The bill would ensure women who seek abortions are shielded from liability.

OPPONENTS SAY:

CSHB 16 would further intimidate physicians who perform and women who seek abortions and restrict a woman's access to abortion.

The bill is unnecessary because current law already provides children born alive after an abortion with the same rights as any other child. The Texas Medical Board already has procedures in place to investigate a physician's

misconduct. In recent years, state records show that it is extremely rare for infants to be born after abortion procedures.

CSHB 16 also would interfere in the doctor-patient relationship by requiring physicians to transfer an infant to a hospital. Decision-making regarding medical care should be left up to the physician not the state.

SUBJECT: Authorizing tuition revenue bonds for institutions of higher education

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 9 ayes — C. Turner, Stucky, Button, Frullo, Howard, E. Johnson, Pacheco, Smithee, Walle

1 nay — Schaefer

1 absent — Wilson

WITNESSES: For — (*Registered, but did not testify*: Melissa Shannon, Bexar County Commissioners Court; Julie Acevedo, City of Round Rock; Christine Wright, City of San Antonio; Priscilla Camacho, Dallas Regional Chamber; Roberto Haddad, Doctors Hospital at Renaissance; Mackenna Wehmeyer, North San Antonio Chamber; Leticia Van de Putte, San Antonio Chamber of Commerce; Sophie Torres, San Antonio Hispanic Chamber of Commerce; Drew Scheberle, The Greater Austin Chamber of Commerce; James Grace Jr., University of Houston Law Foundation; Augustus Campbell, West Houston Association)

Against — (*Registered, but did not testify*: CJ Grisham)

On — Demetrio Hernandez and Greg Owens, Legislative Budget Board; Steve Westbrook, Stephen F. Austin State University; John Sharp, Texas A&M University System; Julie Eklund, Texas Higher Education Coordinating Board; Mike Reeser, Texas State Technical College System; Brian McCall, Texas State University System; Gary Barnes, Texas Tech University System; Kevin Cruser, Texas Woman's University; James Milliken, The University of Texas System; Renu Khator, University of Houston System; Lesa Roe, University of North Texas System

BACKGROUND: Tuition revenue bonds are financial instruments that institutions of higher education secure with pledged future revenue, such as tuition and fees, to fund capital projects. Education Code ch. 55 outlines certain projects for which institutions of higher education may use tuition revenue bonds. These include purchasing, constructing, improving, or maintaining any

property, activities, services, operations, or other facilities for or on behalf of an institution or its branches. The Legislature must authorize the issuance of tuition revenue bonds in legislation.

DIGEST:

CSHB 2000 would authorize the issuance of $3.8 billion in tuition revenue bonds for institutions of higher education in the state to finance the construction and renovation of infrastructure and facilities.

The bill would authorize tuition revenue bonds for individual institutions and projects for the following universities and university systems:

- Texas A&M University System ($767.5 million);
- University of Texas System ($1.3 billion);
- University of Houston System ($351 million);
- Texas State University System ($369.6 million);
- University of North Texas System ($321.5 million);
- Texas Tech University System ($322.6 million);
- Texas Woman's University ($100 million);
- Midwestern State University ($10 million);
- Stephen F. Austin University ($48 million);
- Texas Southern University ($50 million); and
- Texas State Technical College System ($134.6 million).

Bonds would be payable from pledged revenue and tuition. If a board of regents did not have sufficient funds to meet its obligations, funds could be transferred among institutions, branches, and entities within each system.

CSHB 2000 would not affect any authority or restriction on the activities a public institution of higher education could conduct in connection with facilities financed by authorized tuition revenue bonds.

This bill would take effect September 1, 2019.

SUPPORTERS SAY:

CSHB 2000 would authorize tuition revenue bonds essential for the state's institutions of higher education to build and maintain facilities, provide for enrollment growth, and remain competitive.

Tuition revenue bonds historically have been the favored method of the Legislature to fund construction projects at institutions of higher education because the bonds allow a large cost to be spread over a long period of time. This makes tuition revenue bonds a cost-effective method for funding large construction projects, such as updating or replacing classrooms, laboratories, and academic centers. Additionally, many facilities listed in CSHB 2000 are in need of significant renovations or are beyond repair. Addressing these projects listed for deferred maintenance ultimately would save the state money while meeting student need.

As Texas' population and workforce needs increase, demand for higher education in the state is growing. Several campuses have buildings that are at capacity and are unable to adequately serve the surrounding population. CSHB 2000 would provide the funding necessary for these schools to address the surge in demand through the construction and expansion of facilities. Enabling these schools to educate more students also would help Texas achieve the goals set in the Texas Higher Education Coordinating Board's 60x30 Plan.

At the local level, CSHB 2000 would help smaller institutions obtain the funding necessary to complete capital projects and meet demand. Other, larger institutions are able to rely on alumni donations to help pay for new facilities, but most small schools do not have this luxury and rely on the Legislature to fund facilities that enable them to meet workforce needs and provide a quality education.

Tuition revenue bonds authorized under CSHB 2000 would be a good investment for the state because they would expand research capabilities at leading institutions and provide campuses with the resources necessary to adequately meet increased demand for higher education, preparing students to enter the workforce. Additionally, the institutions included in the bill have proven adept at refinancing tuition revenue bonds, which has saved the state millions in debt service.

OPPONENTS SAY:

CSHB 2000 would provide important funding to institutions of higher education through the use of an inappropriate mechanism, tuition revenue bonds.

The state should not authorize bonds to fund the creation of facilities when renovating existing structures would be more economical. Instead, the state should give greater priority to addressing deferred maintenance, which restricts enrollment growth and limits student success, and institutions should be encouraged to finance capital construction through private capital campaigns or by using existing facilities more efficiently.

NOTES:

According to the Legislative Budget Board, the bill would have an estimated negative impact of $660.1 million on general revenue related funds through fiscal 2020-21.

SUBJECT: Requiring contributions by charter schools to TRS

COMMITTEE: Pensions, Investments and Financial Services — favorable, without amendment

VOTE: 9 ayes — Murphy, Vo, Capriglione, Flynn, Gutierrez, Lambert, Leach, Longoria, Stephenson

1 nay — Gervin-Hawkins

1 present not voting — Wu

WITNESSES: For — (*Registered, but did not testify*: Monty Exter, ATPE; Bob Popinski, Raise Your Hand Texas; Doug Williams, Sunnyvale ISD; Jennifer Kennedy, Texas AFT; Michael Lee, Texas Association of Rural Schools; Colby Nichols, Texas Association of School Administrators, Austin ISD; Grover Campbell, Texas Association of School Boards; Dominic Giarratani, Texas Association of School Boards; Tracy Ginsburg, Texas Association of School Business Officials; Ann Fickel, Texas Classroom Teachers Association; Mark Terry, Texas Elementary Principals and Supervisors Association; Joshua Houston, Texas Impact; John Grey, Texas School Alliance; Lisa Dawn-Fisher, Texas State Teachers Association; Marty De Leon, Texas Urban Council; Sandy Schwartz)

Against — Christine Nishimura, Texas Charter Schools Association

On — (*Registered, but did not testify*: Kenneth Herbold, Pension Review Board; Brian Guthrie, Teacher Retirement System)

BACKGROUND: Government Code sec. 825.405 requires that, for school district employees who are members of the state Teacher Retirement System (TRS) and who are entitled to the minimum salary for certain school personnel as established in statute, the employing school district must pay the state's contribution to TRS for any portion of a member's salary that exceeds the statutory minimum salary.

DIGEST: HB 953 would require open-enrollment charter schools that employed

members of the state Teacher Retirement System (TRS) and who would be entitled to a minimum salary under existing statute if employed by a school district to pay the state's contribution to TRS for any portion of a member's salary that exceeded the applicable statutory minimum.

The bill would take effect September 1, 2019, and would apply beginning with the 2019-2020 school year.

SUPPORTERS SAY:

HB 953 would make employers' Teacher Retirement System (TRS) contributions fairer by holding charter schools and school districts to the same standards.

Under current law, a public school district must pay the state's portion of an active employee's TRS contribution for any salary amount that is over the statutory minimum. School districts do not receive additional state funding to cover these costs and must pay for any increase in contributions out of their budgets.

Charter schools, however, are not required to pay this contribution; instead, the state pays for its share of charter school employees' TRS contributions regardless of their salary. This effectively gives charter schools greater flexibility to raise teachers' wages without incurring the cost of increased TRS contributions. HB 953 would close this loophole and hold open-enrollment charter schools to the same TRS contribution requirements as public school districts.

OPPONENTS SAY:

HB 953 would take money out of charter school classrooms without improving TRS' long-term sustainability or solvency. The bill would not increase overall contributions to TRS but would only change the contributions' source. At a time when the Legislature is working to strengthen public school finance, it should not require charter schools to incur new costs when there is no financial solvency benefit to be gained.

NOTES:

According to the Legislative Budget Board, the bill would have a positive impact of $41.4 million in general revenue related funds in fiscal 2020-21, and a continued positive impact of more than $20 million per year through fiscal 2024.

SUBJECT: Requiring animal shelters notify adopters of epizootic infectious diseases

COMMITTEE: Public Health — committee substitute recommended

VOTE: 10 ayes — S. Thompson, Wray, Allison, Coleman, Frank, Guerra, Ortega, Price, Sheffield, Zedler

0 nays

1 absent — Lucio

WITNESSES: For — None

Against — (*Registered, but did not testify*: Tammy Embrey, City of Corpus Christi; Lorena Campos, City of Dallas)

On — (*Registered, but did not testify*: Imelda Garcia, Department of State Health Services; Aimee Bertrand, Harris County Commissioners Court)

BACKGROUND: Health and Safety Code sec. 826.002 defines "epizootic" as the occurrence of cases of a disease in a given geographic area or population clearly greater than the expected frequency of the disease.

DIGEST: CSHB 3092 would require an animal shelter to notify each person who adopted an animal of an epizootic infectious disease that occurred among animals in the shelter 15 days before or after the adoption.

The bill would take effect September 1, 2019.

SUPPORTERS SAY: CSHB 3092 would help protect the animal population of Texas by ensuring that adopters were aware of disease outbreaks from animal shelters. The bill also would ensure adopters of pets were fully aware of a pet's health and could take steps to address any health concerns.

The bill would not impose a burden on animal shelters because it would allow notice to be submitted to adopters electronically. Furthermore, the bill would not introduce the term "epizootic" into statute, but would

merely reference it. This is not a subjective definition since it is already defined in the Health and Safety Code.

CSHB 3092 would not discourage adoptions, but simply ensure that adopters of pets from shelters were fully informed of any disease outbreaks and potential health problems in their pets.

OPPONENTS SAY:

CSHB 3092 would impose a burdensome and expensive requirement on animal shelter staff and could negatively impact adoptions by creating fears surrounding epizootic infectious diseases.

The bill would impose a burden on animal shelters by requiring them to divert staff attention to notify adopters. Additionally, since the definition of "epizootic" hinges on the expected frequency of a disease, this bill could create confusion by not specifying who would determine this frequency.

CSHB 3092 could create fears around adopting pets by notifying adopters of outbreaks of epizootic diseases in shelters. This could have a negative effect on adoption rates, increase the time animals stay in a shelter, and increase the cost of caring for these animals.

SUBJECT: Requiring automated vehicle description in vehicle registration form

COMMITTEE: Transportation — committee substitute recommended

VOTE: 11 ayes — Canales, Landgraf, Bernal, Goldman, Hefner, Krause, Leman, Ortega, Raney, Thierry, E. Thompson

0 nays

2 absent — Y. Davis, Martinez

WITNESSES: For — (*Registered, but did not testify*: Melissa Shannon, Bexar County Commissioners Court; Stephanie Reyes, San Antonio Chamber of Commerce; Sophie Torres, San Antonio Hispanic Chamber of Commerce; Victor Boyer, San Antonio Mobility Coalition, Inc.)

Against — (*Registered, but did not testify*: Drew Campbell, Alliance of Automobile Manufacturers)

On — (*Registered, but did not testify*: Jeremiah Kuntz, Texas Department of Motor Vehicles; Steve Moninger and Jo Heselmeyer, Texas Department of Public Safety)

BACKGROUND: Transportation Code sec. 502.043 requires an application for vehicle registration to contain a full description of the vehicle.

Interested parties have suggested that vehicles on which automated driving systems are installed should be distinguished from driver-operated vehicles in the registration process.

DIGEST: CSHB 113 would require an applicant for registration of an automated motor vehicle to indicate in the vehicle description that the vehicle was an automated motor vehicle.

The bill would take effect September 1, 2019.

SUBJECT: Eliminating a workers' compensation reporting requirement

COMMITTEE: Business and Industry — favorable, without amendment

VOTE: 8 ayes — Martinez Fischer, Darby, Beckley, Collier, Landgraf, Moody, Parker, Patterson

0 nays

1 absent — Shine

WITNESSES: For — (*Registered, but did not testify*: Jon Fisher, Associated Builders and Contractors of Texas; Barbara Salyers, Texas Mutual Insurance Company)

Against — None

On — Amy Lee, Texas Department of Insurance-Division of Workers' Compensation

BACKGROUND: Labor Code sec. 406.145 allows a hiring contractor and an independent subcontractor in the residential or commercial construction trades to make a joint agreement declaring that the subcontractor is an independent contractor and not the employee of the hiring contractor. When signed by both parties and filed with the Texas Department of Insurance's Division of Workers' Compensation (DWC), this agreement exempts a hiring contractor from providing workers' compensation insurance coverage to the subcontractor.

A hiring contractor and independent contractor may make a subsequent hiring agreement to which the earlier agreement does not apply. When this happens, the two parties must notify DWC, and the hiring contractor's workers' compensation insurance carrier.

It has been suggested that this notification is not useful to DWC and represents an obsolete reporting requirement.

DIGEST: HB 1665 would eliminate the requirement for a hiring contractor and

independent contractor to notify the Division of Workers' Compensation at the Texas Department of Insurance when they made a hiring agreement excepting themselves from an earlier agreement affirming the independent relationship between them. Notification of such a hiring agreement would have to be provided at the division's request.

The bill would apply to notification requirements to be provided on or after the effective date of the bill.

The bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2019.

SUBJECT: Increasing state contributions to the Teacher Retirement System

COMMITTEE: Pensions, Investments and Financial Services — committee substitute recommended

VOTE: 9 ayes — Murphy, Vo, Capriglione, Flynn, Lambert, Leach, Longoria, Stephenson, Wu

0 nays

2 absent — Gervin-Hawkins, Gutierrez

SENATE VOTE: On final passage, March 25 — 31-0

WITNESSES: For — (*Registered, but did not testify*: Rene Lara, Texas AFL-CIO; Beaman Floyd, Texas Association of School Administrators; Lance Lowry, Texas Association of Taxpayers; Lisa Dawn-Fisher, Texas State Teachers Association; Timothy Lee, Texas Retired Teachers Association)

Against — (*Registered, but did not testify*: Will Holleman, Texas Association of School Boards; Talmadge Heflin, Texas Public Policy Foundation)

On — (*Registered, but did not testify*: Ann Fickel, Texas Classroom Teachers Association; Brian Guthrie, Teacher Retirement System)

BACKGROUND: Government Code sec. 825.404 sets the state's contribution to the Teacher Retirement System at an amount equal to at least six and not more than 10 percent of the aggregate annual compensation of all members of the retirement system during that fiscal year. Sec. 825.402 establishes rates of contribution for various members of the Teacher Retirement System.

DIGEST: CSSB 12 would set the state contribution to the Teacher Retirement System (TRS) at certain percentages of the aggregate annual compensation of all members of the retirement system according to the following schedule:

- 7.8 percent for the fiscal year beginning on September 1, 2019;
- 8.05 percent for the fiscal year beginning on September 1, 2020;
- 8.3 percent for the fiscal year beginning on September 1, 2021;
- 8.55 percent for the fiscal year beginning on September 1, 2022; and
- 8.8 percent for the fiscal year beginning on September 1, 2023.

The bill would retain the current member contribution rate of 7.7 percent of a member's annual compensation for compensation paid on or after September 1, 2019. That rate would be reduced by one-tenth of 1 percent for each one-tenth of 1 percent that the state contribution rate was less than the rate established under the bill for the applicable fiscal year.

The bill would require TRS to make a one-time supplemental payment of the lesser of $2,400 or the gross annuity payment to which the annuitant was entitled for the month preceding the month when TRS issued the payment.

The state would be required to appropriate to TRS an amount equal to the cost of the one-time supplemental payment. If the state did not transfer the appropriated amount, TRS could not issue the payment.

The bill would take effect September 1, 2019.

SUPPORTERS SAY:

CSSB 12 would make the Teacher Retirement System actuarially sound by incrementally increasing state contributions over the 2020-2024 fiscal years, providing for an ultimate increase of 2 percent over the five-year period.

The bill also would provide retired school employees with a one-time supplemental payment, or "13th check," of up to $2,400. This extra pension benefit would help retired educators pay for increased expenses, including higher health insurance costs.

At a time when the Legislature is working to increase teacher pay, it should not require working teachers to contribute a higher percentage of

their pay to TRS. Similarly, school funding should not be boosted just to re-take dollars by requiring districts to increase their TRS contributions.

While some have suggested moving to a defined contribution retirement plan, that would not change the need to make the existing system actuarially sound, as CSSB 12 would do.

OPPONENTS SAY:

It would be better to follow the Senate's plan to increase TRS contributions from all participants, including school districts and active teachers. Current teachers and school districts, along with the state, should play a role in making the pension system actuarially sound. The Senate plan would provide a smaller $500 payment supplemental payment but would cost the state less than half of the amount of the House plan.

OTHER OPPONENTS SAY:

Texas should make the fiscally prudent transition from its defined benefit retirement plan for retired teachers to a defined contribution plan. Even if TRS is placed on a path to actuarial soundness, future generations could bear the financial risk if market expectations are not met.

NOTES:

According to the Legislative Budget Board (LBB) fiscal note, CSSB 12 would have an estimated negative impact of $1.3 billion through the biennium ending August 31, 2021. The bill would make the TRS pension fund actuarially sound by reducing the amortization period to 30 years, according to the LBB's actuarial impact statement.